Treasury and Policy Board

2001-2002
Accountability Report

NOVA SCOTIA

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Accountability Statement

The accountability report of the Treasury and Policy Board Office for the year ended March 31, 2002, is prepared according to the Provincial Finance Act and government policy and guidelines. These authorities require the reporting of outcomes against business plan information for the fiscal year 2001-02.

The reporting of the office's outcomes includes estimates, judgments and opinions by management. We acknowledge that this accountability report is the responsibility of Office management.

The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in Treasury and Policy Board Office business plan for the year.

Hon. Michael Baker, Minister

Gordon Gillis, Deputy Minister

Message from the Minister

I am pleased to present the first annual accountability report of Treasury and Policy Board (TPB) Office.

The TPB Office joins an expanding list of Nova Scotia government departments and agencies required to publish annual accountability reports each year. This is the first time that this central agency, or any of its predecessors in the history of the government of Nova Scotia, has prepared such a report. Central agencies, like departments, must be accountable for their performance and results each year. By being accountable, we strive to improve the way we do business and ensure that important tasks -- at this office and across government -- are initiated and accomplished.

We are proud of our many accomplishments during our first year of operation. These included:

- working more closely with departments to improve corporate policy development;
- providing quality policy and financial advice to Treasury and Policy Board and Cabinet;
- working closely with the Department of Finance to ensure that policy, planning and budget decisions are consistent and fully integrated; and
- starting and completing a number of significant corporate projects.

Our business plan for 2002-03 describes further planned improvements to these initiatives for the future.

Although many goals and priorities in our 2001-02 business plan were accomplished, several could not be completed in the one-year period of the plan. These will be carried over to 2002-03.

In the end, Nova Scotians can be assured that the key decisions that affect their lives - that flow from government policy and budget -- are made carefully and with the best possible information and advice available.

Introduction

This accountability report reflects on progress made in achieving the goals and priorities set out in the 2001-02 business plan of the Treasury and Policy Board Office, and to describe other significant activities and accomplishments during the year. The 2001-02 business plan, available on our website, more fully describes TPB's core business functions, goals and priorities for the year. We recommend that this accountability report be read in conjunction with the business plan.

Mandate

Treasury and Policy Board was created under the Government Restructuring Act (2001) which passed into law on June 1, 2001. Treasury and Policy Board is a committee of Executive Council, replacing the former Priorities and Planning Secretariat.

The Treasury and Policy Board Office provides operational and administrative support to TPB and Cabinet. Key responsibilities of the office are:

- Central planning agency of the government of Nova Scotia responsible for setting business planning policy and guidelines for government, departments, agencies and Crown corporations.
- Setting policy for accountability reporting by government, departments, agencies and Crown corporations to further government's commitment to open and accountable government.
- Managing the flow of information and decision items to and from Treasury and Policy Board, which includes setting TPB's agenda and analysing proposals.
- Assuming responsibility for the government's expenditure budget. Overall responsibility for the provincial budget and the revenue estimates continues to rest with the Minister of Finance.

This mandate is part of a continuing effort to ensure that policy and program decisions, business plans and fiscal priorities are closely coordinated, are consistent with each other and support government's priorities. Accountability reporting seeks to demonstrate performance by requiring annual reporting to the House of Assembly on results achieved relative to the goals and priorities set out in annual business plans. Overall, Nova Scotians can be assured that program and policy proposals fully consider, and are consistent with, business plans and budget priorities when decisions are made by TPB and Cabinet.

Other TPB Office responsibilities include:

- overseeing government's Tangible Capital Asset policy; and
- overseeing the work of Voluntary Planning, an arm's-length organization that solicits and collects public and stakeholder input on key public policy issues.

The TPB Office sets government-wide policies, establishes frameworks to guide policy, and assists and monitors to ensure policies are implemented. TPB values facilitation, coaching and encouragement, based on shared accountability, in guiding departments, agencies, and independent Crown corporations in their operations. The TPB Office

works closely with the Department of Finance in developing the Provincial budget and has close links with Communications Nova Scotia to ensure effective internal and external communication of government priorities and decisions. TPB sets high standards of performance and accountability, encourages intelligent risk-taking and innovation and identifies and communicates best practices.

Mission

To ensure that the fiscal and policy decisions of the Public Service are planned, communicated and implemented in a way that reflects the priorities of government and inspires confidence in the people of Nova Scotia.

Core Businesses

Strategic Planning - Assists the Executive Council in developing and communicating its strategic agenda, through the identification and evaluation of the issues and trends, development and analysis of corporate and issue-specific policies, horizontal policy integration and liaison with the public service.

Support to Cabinet and Treasury and Policy Board - Manages the paper flow to and from Treasury and Policy Board, develops the TPB agenda and provides critical analysis of proposals as background to government's decision-making process.

Ensuring Accountability - Develops processes and procedures to ensure accountability for the use of resources by departments and government entities.

Integrating Policy Decisions and Resource Allocations - Develops and implements processes to link expenditure allocations with policy direction and priorities. Includes analysing and advising on department and agency budgets to ensure that allocations support policy priorities.

Effective Administration of Government: Establishes administrative standards and processes to support the operations of government, advising on government structure and programs, analysing best practices and recommending their adoption.

Organization

The TPB Office has a staff complement of 25. The Executive Officer oversees the day-to-day operations of the office, reporting to the Deputy Minister. An organization chart is provided in Appendix 1.

Goals and Priorities

Goal 1 - Provide high-quality analysis and recommendations to the Executive Council and Treasury and Policy Board.

> **Priority 1.1** - *Develop a revised process for submission and analysis of policy proposals, requests for resources, and other transactions to TPB and Cabinet, in order to ensure that the Executive Council receives full and comprehensive advice and quality analysis of proposals.*

TPB strengthened the process for submission and analysis of policy and budget proposals and requests in 2001-02. All submissions require a staff analysis with input from TPB financial and policy analysts and communications staff. This ensures submissions reflect corporate policy priorities, communication plans are coordinated and funding requirements are consistent with fiscal priorities. TPB staff work closely with departments and offices to ensure that submissions to TPB and Cabinet contain all required information for informed decision-making.

> **Priority 1.2** - *Encourage departments to identify the data required to better support decision making and implement systems for their collection, monitoring and reporting.*

TPB released revised business-planning guidelines in fall 2001. The guidelines require departments, public-service vote agencies and Crown corporations to develop and publish performance measures, base-year data, targets and strategies to achieve targets in their business plans. Outcome and performance information is important for informed decision-making, business planning and budgeting. Accountability reporting guidelines require departments and agencies to report on performance measures in their 2001-02 and subsequent accountability reports.

In addition, TPB analysts work with departments and agencies to ensure appropriate information and data are available to support policy and budget proposals and requests to Executive Council as discussed under Priority 1.1.

> **Priority 1.3** - *Conduct ongoing environmental scanning, to proactively identify trends and issues and to assist the Executive Council in ongoing strategic planning.*

Environmental scanning is a method of gathering information for strategic business planning. It involves gathering and considering, in an structured manner, internal and external information affecting the operational environment of government. This includes financial, social, economic, political, demographic, technological and intergovernmental trends. By considering this information, in conjunction with organizational strengths, weaknesses, opportunities and threats, government organizations can develop strategic policy direction, establish funding priorities and decide on program and service modifications.

Environmental scanning is carried on at both a corporate level and by individual departments and government agencies. The TPB Office led a series of environmental scanning sessions with Executive Council and the Deputy Minister's Committee to ensure a common understanding of issues and concerns important to Nova Scotians and to assist the Executive Council to develop government's strategic plan. Similar environmental scanning exercises were conducted by departments and agencies. The results of environmental scanning sessions were shared at a series of joint meetings and environmental scanning forums organized by the TPB Office in fall 2001.

The office continues to research and develop best practices for environmental scanning to assist departments and agencies. It seeks to improve information sharing resulting from these processes.

> **Priority 1.4** - *Support the Legislation Committee by reviewing legislation proposals to ensure that they are consistent with policy direction.*

The Legislation Committee, a committee of Executive Council, considers legislation proposed for the next sitting of the House of Assembly. For the first time, TPB staff were assigned as a resource to the committee during 2001. Participation on the committee enables the TPB Office to plan the TPB and Cabinet agenda in a more coordinated fashion and permits TPB staff to begin gathering the material necessary for the evaluation that accompanies legislative proposals to TPB and Cabinet.

> **Priority 1.5** - *Initiate corporate policy projects and facilitate horizontal policy development.*

Government is organized by departments and agencies each having unique authorities, responsibilities and organizational structures. However, many issues that it seeks to address cut across traditional organizational boundaries. In an increasingly complex society, government must develop the capacity to formulate policy and implement programs and services on a horizontal basis. Horizontal, or cross-government, policy development is crucial to successful and sustainable government policy, programs and services.

The TPB Office helps build horizontal policy development capacity in government by initiating, chairing, participating or assisting cross-government committees and forums. The TPB Office was involved with the following groups during 2001-02.

- Policy Advisory Council -- chaired by the TPB Executive Officer
- Deputy Minister's Committee (and related Advisory Sub-Committees) -- chaired by the Deputy Minister of TPB
- Senior Financial Executive Forum -- TPB staff are members; and
- Tangible Capital Assets Committee -- led by TPB staff.

In addition, the TPB Office led, or participated in, the following corporate policy projects during 2001-02:

Skills Agenda - TPB created the Skills Nova Scotia Task Force, which was responsible for researching provincial labour-market issues and recommending an approach to labour market development and government's role. The work of the task force culminated in a Stakeholder Roundtable on December 13, 2001, led by TPB, resulting in labour market recommendations that were later approved by Cabinet.

Agencies Boards and Commissions Review - TPB worked with the Executive Council Office to prepare a master-list of agencies, boards, and commissions where government appoints board members. This is the first step in a review of the governance structures and accountability processes of these organizations. A final report is due in 2002-03.

User Fees - During 2001-02, TPB strengthened the approval process for new fees or changes to existing fees. In prior years, proposals for new fees were presented to government for approval as they were developed throughout the year. Departments and government agencies are now required to submit all revenue-generation proposals for approval in December. Proposals are evaluated jointly by the department of Finance and Treasury and Policy Board taking into consideration several factors, including the proposals' collective effect on people. The new process improves fairness and equity by providing more consistent evaluation and ensuring that particular groups are not unduly affected by a combination of fee increases. Work will continue on a comprehensive government-wide user fee policy in 2002-03.

Energy Department - TPB worked with consultants to implement a recommendation in the Energy Strategy to create a new Energy Department. This work included analysis of the appropriate corporate structure for the new department and leading the process to recruit a Deputy Minister.

Business Planning - TPB issued revised business planning guidelines in 2001-02 that required additional government agencies to publish annual business plans and requiring all business plans to include performance measure targets and base-line data.

Accountability Reporting - To meet the amended requirements of the Provincial Finance Act, TPB issued accountability reporting guidelines in fall 2001 requiring department and public service vote entities to publish annual accountability reports for the 2000-01 fiscal year. Government, departments and public service vote entities published accountability reports for 2000-01 in December 2001.

Goal 2 - Improve communication between government and the public service.

Priority 2.1 - Implement a corporate issues project tracking system to provide an improved ability to plan, track and share information.

Emerging policy, operational and fiscal issues of a corporate nature arise through the memorandum submission process and through interactions with departments and agencies during the year. It is important that emerging corporate issues be addressed in a timely and proactive manner to ensure the smooth operation of government. Currently, emerging corporate issues are monitored informally by TPB and policy development work is carried as required.

The intent of Priority 2.1 was to develop a more formal, centralized tracking system of emerging corporate issues and the work conducted on them. The TPB Office was unable to implement this system in 2001-02 because of other priorities. The TPB Office continues to use the informal monitoring process. This item continues to be a priority for the TPB Office, and work on this initiative will continue in 2002-03.

Priority 2.2 - *Develop a more proactive relationship with departments in order to better encourage corporate policy development and to ensure the efficient use of resources on objectives that are consistent with government's agenda.*

TPB strengthened relationships with departments and agencies in several ways during 2001-02. These included:

- participation on cross-government committees and forums as discussed under Priority 1.5;
- working with departments and agencies in processing submissions to Executive Council as discussed under Priority 1.1; and
- leading or participating on corporate policy projects as discussed under Priority 1.5.

The TPB Office issued a cross-government survey in summer 2001 to encourage collaboration with departments and agencies. Strategies to address issues emerging from the survey will continue during 2002-03. In addition, TPB met regularly with department senior management to promote collaborative relationships. The TPB Office also conducts periodic training sessions and focus groups on various topics with departments and agencies.

Priority 2.3 - *Better communicate government's plans and progress in key priority areas to departments, agencies, boards and commissions and Crown corporations.*

Better internal communication of government plans was accomplished in several ways during 2001-02. Results from environmental scanning sessions with Executive Council and senior officials, described under Priority 1.3, were conveyed to departments and agencies in September 2001, and at joint meetings and environmental scanning forums organized by TPB in fall 2001. The Government Business Plan, a public document, was developed with the assistance of departments and agencies in fall and winter 2001-02.

Communicating government progress in key priority areas are accomplished in several ways. In December 2001, government and departments published accountability reports on progress in meeting 2000-01 business plan priorities. This was the first time that government published a comprehensive accountability report of this nature. TPB also communicates government plans and accomplishments through other mechanisms including:

- weekly meetings with deputy ministers to provide information on ongoing government plans and priorities;
- senior officials of Communications Nova Scotia and TPB meet regularly to plan communications of corporate plans and accomplishments; and
- TPB's Communications Director participates in the submission assessment process and corporate communications planning.

Goal 3 - Improve accountability of government, including third-party entities.

Priority 3.1 - *Extend the accountability framework to public sector entities by developing clearer governance structures, new systems for reporting and monitoring, and consistent administrative policies.*

The Government Restructuring (2001) Act, passed in spring 2001, gave Treasury and Policy Board the mandate to review and analyse business plans and establish reporting requirements to ensure full reporting and accountability of departments and agencies. In 2001-02, TPB took specific action to improve the business planning process for departments, public service vote entities and Crown corporations and led the annual accountability reporting process for government and departments.

The intent of Priority 3.1 was to extend business planning and accountability reporting requirements to those public sector entities included in the review of agencies, boards and commissions discussed under Priority 1.5. This initiative was not completed by March 31, 2002. TPB plans to continue with this initiative in 2002-03.

In May 2001, Treasury and Policy Board supported a proposal to introduce an accountability framework for grant agencies. The framework was developed by an interdepartmental committee representing the departments of education, community services, health and justice. The framework applies to over 700 non-legislated agencies (organizations not created by legislation which would sets out accountability reporting requirements, e.g., school boards) receiving over $45 million in annual grant payments from the province. The framework requires a service agreement that calls for specific accountability reporting which varies depending on the amount of the grant involved. The framework is being implemented over several years.

Priority 3.2 - *Develop and implement outcome measures and a reporting system for government.*

Treasury and Policy Board issued revised business planning guidelines in October 2001, requiring departments, public service vote entities and Crown corporations to develop outcome or performance measures, baseline data and targets to be published in their 2002-03 business plans. The guidelines also establish an accountability reporting requirement to report on progress in meeting performance measure targets for the 2001-02 fiscal year. The requirement to report on performance measures also applies to the government 2001-02 business plan.

Treasury and Policy Board will release revised accountability reporting guidelines, which will detail performance measure reporting requirement in early 2002-03.

Priority 3.3 - *Develop performance contracts for senior officials.*

Treasury and Policy Board led an initiative to develop a performance contract framework for deputy ministers and certain senior officials. The new system is based on "mandate letters" for each deputy specifying performance targets, including requirements to meet business plan targets.

The mandate letter framework was completed during 2001-02. Performance evaluations based on the mandate letters will be carried out in 2002-03. In addition, there are plans to extend the framework to a more comprehensive pay-for-performance system for deputy heads, CEOs and assistant deputy ministers in 2002-03.

> **Priority 3.4** - *Focus on results when providing direction to agencies, boards, commissions and departments.*

The intent of this priority is to foster a "principle-based" approach to corporate policy directives. Variations in format and report templates are permitted provided that the circumstances warrant and "results" (i.e., minimum reporting standards) are respected.

> **Priority 3.5** - *Track implementation of Cabinet and TPB decisions and develop new reporting processes to advise Cabinet on the implementation of policies, projects and expenditures.*

The TPB office developed a temporary electronic tracking system of Cabinet and TPB decisions related to policy and program submissions. Periodically TPB analysts are required to follow up and report on the implementation status of TPB/Cabinet decisions.

An extensive needs analysis was conducted in 2001-02 which will lead to the purchase of a new computer system for the tracking of submissions and related TPB/Cabinet decisions. The intent is to have this improved system operational in 2002-03.

Goal 4 - Strengthen the corporate leadership of the public service.

> **Priority 4.1** - *Plan and support initiatives to develop a high-quality leadership cadre in the public service.*

Treasury and Policy Board Office works with the Public Service Commission to implement policies that support this priority. TPB coordinated professional development for Deputy Ministers 2001-02 and sponsored an Executive Career Assignment Program (ECAP) position, which provides participants with valuable practical experience to develop skills and experience needed to assume senior leadership positions in government.

Development of excellence in public service leadership is an ongoing initiative and TPB will continue to collaborate with the Public Service Commission to implement policies and programs that support this priority.

> **Priority 4.2** - *Develop programs, including those to communicate corporate good news stories and illustrate successful and innovative ideas, to improve morale and build pride within those employed in the public service.*

The TPB Office works with the Public Service Commission to implement policies that support this priority. The intent of this priority was to provide dedicated staff to internal corporate communications and idea sharing with the view of promoting innovation and to improve morale in the public service. Budget pressure prevented the assignment of staff resources to this priority.

In October 2001, TPB formed an interdepartmental committee to examine opportunities to improve the quality, consistency and information content of the government website as a communication tool. The government web site is an important tool in communicating corporate information and disseminating innovative ideas in the public service. This project is ongoing as improvements to the government website are implemented. The TPB Office and PSC continue to explore ways to meet this priority.

> **Priority 4.3** - *Research, develop and model a set of public service values for the public service of Nova Scotia.*

Public servants cope with increasingly complex issues, events that move with greater velocity, and pressures to improve performance with reduced resources. The need to develop, and model, a set of commonly understood public service values becomes increasingly important to act as a guide to decision-making.

Training in public-sector ethics and values are part of the Executive Development Program offered by the commission. TPB will work with the Public Service Commission to research and implement best practices on public service values in the future.

Goal 5 - Improve the integration of policy and budgeting.

> **Priority 5.1** - *In consultation with the Department of Finance, develop processes to better integrate budgeting, policy development and business planning processes for the annual budget process and throughout the year.*

TPB analysts are responsible for the following matters, which serve to better integrate budgeting, policy development and business planning across government:

- evaluation of the financial and policy implications of policy and program submissions to TPB and Cabinet;
- overseeing the development of the expenditure budgets of assigned departments and agencies;
- monitoring forecast submissions from client departments and agencies; and
- reviewing business plan submissions from departments and agencies.

By combining the above responsibilities, the TPB Office is able to bring a broader perspective to the analysis of program and policy submissions to Treasury and Policy Board/Cabinet which enables a closer linkage between policy and financial decisions of government.

> **Priority 5.2** - *In consultation with the Department of Finance, develop and implement an annual planning and budgeting calendar that provides for earlier decisions and to allow other entities to integrate these decisions into their processes.*

The provincial budget is presented to the House of Assembly by the Minister of Finance on budget day. Because of confidentiality, funding decisions cannot be made public before tabling of the budget and debate in the House. The challenge for the TPB Office and the Department of Finance is to establish a budget development timetable that permits the tabling of the budget on or near the beginning of the fiscal year. The 2002-03 budget, developed in the fall and winter of 2001-02, was tabled on April 4, 2002. A timetable for the 2002-03 business planning and budget development process was established in fall 2001, followed by regular meetings with department, agency, Finance and TPB staff.

The TPB Office and Department of Finance explored ways to release fiscal information prior to the start of the fiscal year while maintaining budget confidentiality. For example, notification of changes to revenues and fees for the 2002-03 year were announced prior to budget day in March 2002. Treasury and Policy Board will explore opportunities for multi-year funding commitments to service-delivery organizations in future years.

> **Priority 5.3** - *Continue working with Communications Nova Scotia on clear, consistent communications on planning and budgeting, so that all stakeholders better understand the planning and budgeting process.*

Communications Nova Scotia leads the budget communications process, in collaboration with communications staff at the Department of Finance and the TPB Office. Communications staff were involved earlier in the budget development process by including them in the environmental scanning forums and other key meetings. In this way, progress was made in better communicating budget information, particularly internally.

Goal 6 - Improve systems, processes and procedures required for effective and efficient administration of government.

Priority 6.1 - *Update and improve government administrative processes and procedures, and incorporate these into revised and current Management Manuals for easy distribution to departments and staff.*

Considerable progress was made on the Management Manuals project in 2001-02. A web-based system was developed to ensure department staff will have ready access to the manuals. Most sections of the Management Manuals had been updated in draft by year end. Final approval of content and publication are scheduled for 2002-03.

Priority 6.2 - *Support a regulatory business environment that promotes economic prosperity by working with departments to eliminate unnecessary regulations.*

The Coordinator of the Red Tape Reduction Task Force is a TPB employee. The task force tabled a report in November 2000 containing 12 recommendations to reduce regulatory burden and to champion efforts to create a regulatory business environment that promotes economic prosperity. Government accepted 10 of the recommendations.

The TPB Office implemented a task force recommendation requiring completion of the Regulation Review Criteria Checklist for proposed regulatory changes submitted to Executive Council. The Checklist requires departments to consider alternatives to regulation to meet the policy objectives. In addition, departments have been directed to develop strategies for regulatory reform, cutting unnecessary red tape and promoting the adoption of "red tape reduction" principles throughout their operations. A commitment to red tape reduction is also part of the deputy minister mandate letters.

Priority 6.3 - *Lead the development of a revised program inventory for use as a decision-making tool in providing services to citizens and providing resources to support these services. This includes development of cost-allocation methodologies and new reporting systems.*

A report titled Costing Government Services was issued by the Senior Financial Executives Forum in May 2001. More detailed research on program inventory and costing was carried out during 2001-02. A report on this research activity, which will contain recommendations for implementing a Program Inventory and Costing Initiative (PICI), is expected early in 2002-03. Implementation will continue in 2002-03 and 2003-04.

Priority 6.4 - Oversee implementation of the Tangible Capital Asset (TCA) prioritization process. (New priority)

The TPB Office assumed responsibility for the tangible capital asset prioritization process in early 2001-02. As a result, this priority was not included in the TPB Office 2001-02 business plan.

The TPB Office oversees a government committee that evaluates tangible capital assets submissions from departments and agencies and makes recommendations on capital funding as part of the budget process. Spending, new priorities and possible re-allocations are reviewed every quarter.

> **Priority 6.5** - *Conduct research into best practices in researching, implementing and monitoring new and creative means of providing government services.*

The intent of this priority was to explore best practices for alternative service delivery of government services. The TPB Office was not able to undertake the research as planned.

The TPB Office was involved during 2001-02 in the reorganization of the Department of Economic Development to the Office of Economic Development.

Budget Context

Core Business	2001/02 Authority	2001/02 Actuals
	$ Thousands	$Thousands
Support to TPB/Cabinet	$791.0	$679.0
Strategic Planning and Budgeting	591.0	526.0
Coordination of Corporate Policies and Priorities	473.0	416.0
Corporate Administration	280.0	226.0
Administration and Support	248.0	239.0
Total Net Program Expenses	$2,383.0	$2,086.0
Salaries and Benefits	$1,850.0	$1,545.0
Funded Staff (FTEs)	25.0	24.0

TPB's actual expenditures were $2.1 million and under budget by $300,000. The variance in both the salary and operating budget resulted from staff vacancies not being filled for the full fiscal year.

Highlights - Human Resources, Information Technology, Financial Services

Priorities - Human Resources: Priorities for 2001-02 were:

- Fill vacant civil servant positions through competition.
- Offer secondment opportunities for department/agency staff.
- Develop a performance management and development system.

All civil servant positions filled during 2001-02 followed competitive hiring procedures approved by the Public Service Commission. One position filled was through a secondment arrangement under the ECAP program. A performance management and development system was developed and the first set of annual performance appraisals will be completed in early 2002-03.

Priorities - Information Technology: Priorities for 2001-02 were:

- Assess requirements and implement the processes to support internal tracking of Order-in-Council appointments and Cabinet items.
- Implement a corporate project-tracking system.
- Position TPB for transition to a corporate shared-services model of infrastructure (network, help desk, desk-top support).
- Safeguard and promote a stable technical infrastructure

As discussed under Priority 3.5, a needs analysis was completed in 2001-02 which will lead to the purchase of a new computer system for tracking OICs and other submissions to TPB/Cabinet. The new system is scheduled for implementation in 2002-03. Work on an automated corporate issues project tracking system was not completed during 2001-02, and work on this system will continue in 2002-03. The TPB Office now uses a corporate shared-services model of infrastructure support. TPB Office staff participate on the Business and Technology Advisory Committee (BTAC) to help safeguard and promote a stable technical infrastructure for government.

Priorities - Financial Services: The Financial Services Division of the Corporate Services Unit provides day-to-day accounting and financial planning advice for several departments including the TPB Office. Priorities of the Financial Services Division for 2001-02 were to support the TPB Office in the following areas:

- Meet TPB Office needs for financial analysis in business case development, user fee recoveries, program costing analysis, cost\benefit analysis and other projects.
- Continue to streamline/ensure efficiency of financial procedures and processes within the TPB Office in compliance with PSAB government accounting guidelines.
- Contribute to efforts to revise financial management accounting policies to promote accountability.
- Continue using the Asset Tracking Module of the CFMS in accordance with TCA policies.

The Financial Services Division of the Corporate Services Unit provided an adequate level of support for all priority areas during 2001-02.

Performance Measures

The TPB Office 2001-02 business plan, published in early April 2001, put forward six performance measures for the upcoming fiscal year. The office came into being with proclamation of the Government Restructuring (2001) Act in July 2001. Although it replaced the former Priorities and Planning Secretariat, there were many changes in responsibilities and staffing.

During 2001-02, several performance measures contained in the 2001-02 Business Plan were modified. These changes were reflected in the TPB 2002-03 Business Plan. This document reports on measures contained in the TPB Office 2002-03 Business Plan because the revised measures are more informative. The nature of the changes made to the 2001-02 measures are explained in Appendix 2.

The TPB Office is reporting on 10 measures. Performance for each measure will be examined through three questions:

-- What does this measure tell us?
-- Where are we now?
-- Where to we want to be in the future?

Measure: Overall satisfaction with the level of service provided by TPB

Core Business: Support to Treasury and Policy Board/Cabinet

What does the measure tell us?

The TPB Office provides high-quality analysis and recommendations to Executive Council and Treasury and Policy Board by maintaining communications and positive relationships with departments and agencies. In the summer of 2001, a survey was sent to department and agency officials who were in contact with the TPB Office during the preceding year. One question in the survey asked participants to rate their overall satisfaction with the service provided by the TPB Office. Overall satisfaction with level of service is expressed as the percentage of respondents who were very satisfied, satisfied , neutral, dissatisfied or very dissatisfied with TPB service.

A low percentage in the satisfied and very satisfied categories indicates there are areas where the TPB Office needs to reassess services provided and make adaptations. A high percentage indicates that respondents see TPB as delivering a high level of services.

WHERE ARE WE NOW?

The 113 survey respondents rated the level of service provided by TPB Office as follows:

Very satisfied -	2.8%
Satisfied -	33.0%
Neutral -	49.5%
Not Satisfied -	13.8%
Very Unsatisfied -	0.9%
	100.0%

WHERE DO WE WANT TO BE?

Our target, by 2004-05, is for 75 per cent of respondents to report satisfied or very satisfied ratings for overall level of service provided by the TPB Office. Strategies to achieve this outcome include continuing to foster strong relationships with departments and agencies, improve communications within the public service and improving the turnaround time on submissions to Executive Council.

In addition, the TPB Office plans to engage TPB Ministers in an evaluation of the office's performance and service delivery and to resurvey client.

Measure: Average time to process department submissions

Core Business: Support to Treasury and Policy Board/Cabinet

WHAT DOES THE MEASURE TELL US?

The TPB Office is responsible for the efficient administration of TPB/Cabinet agenda. Average time to process department submissions, or turnaround time, is an indicator of efficiency and service performance. A lengthy turnaround time may be indicative of inefficiency in the processing, inadequate guidance and training to departments on submission requirements, incomplete information from departments or the complexity of the submission.

WHERE ARE WE NOW?

Baseline data was to be developed in the first quarter of 2002-03. This did not occur because of other priorities and limitations with the current manual system for tracking submissions. The TPB Office is developing an automated submission-tracking system which should provide this information.

WHERE DO WE WANT TO BE?

Once baseline data has been developed, TPB office's expectation is to continuously improve turnaround time, where practical.

Measure: **Percentage of survey respondents who said they understood government's priorities**

Core Business: Coordination of Corporate Policies and Priorities

WHAT DOES THE MEASURE TELL US?

TPB Office is responsible for communicating government's priorities throughout the public service. The TPB survey, conducted in summer 2001, asked recipients if they understood government's priorities. A sound understanding of government's priorities is important for ensuring that programs and services support and reflect that corporate direction and priorities.

A high percentage indicates that government's priorities are being well communicated. A low percentage may indicate insufficient dialogue with respondents explaining government's priorities.

WHERE ARE WE NOW?

Overall, 74 per cent of respondents reported having a good understanding of government's priorities. However, the level of understanding was not the same across job functions. This indicates that communication of government's priorities has been uneven.

WHERE DO WE WANT TO BE?

Our target is to continuously improve the overall level of understanding of government's priorities for all functional areas.

Strategies to achieve this outcome include regular contact between TPB analysts and their client departments and offices. TPB will also work with Communications Nova Scotia on strategies to more effectively communicate corporate goals and priorities throughout the public service.

Measure: Percentage of government entities* completing annual business plans

***departments, public service votes, and Crown corporations**

Measure: Percentage of entities releasing accountability reports, linked to intended outcomes

Core Business: Strategic Planning and Budgeting

WHAT DO THESE MEASURES TELL US?

These two related measures indicate compliance with and support for the government of Nova Scotia's commitment to the principle of open and accountable government and improved financial and business planning accountability.

Business planning promotes public accountability by providing a benchmark against which results can be assessed. Every year, departments, public service votes and Crown corporations identify their priorities for the coming fiscal year, within the context of their mission and core business areas and government's priorities.

Annual accountability reports summarize the activities, accomplishments and outcomes of the previous fiscal year, and specifically reflect on annual business plans. Under the *Provincial Finance Act*, government's annual accountability report must be submitted to the House of Assembly no later than December 31st following the end of a fiscal year. Treasury and Policy Board requires all departments, public service votes and Crown Corporations to publish annual accountability reports along with the government report.

WHERE ARE WE NOW?

For the 2001-02 base year, 100% of government entities, (defined above) completed annual business plans. For this same base year, all[1] of the entities required to publish accountability reports did so.

WHERE DO WE WANT TO BE?

TPB Office's goal is to maintain the current level of 100 per cent compliance with business plan and accountability reporting policies. With continuous improvement and research, the TPB Office plans to strengthen the performance measurement process.

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[1] In fall 2001, departments were required to produce accountability reports. In fall 2002, this group will expand to include the public-service votes and Crown corporations.

Measure: **Actual government expenditure reported as a percentage under/over budget.**

Core Business: Strategic Planning and Budgeting

WHAT DOES THIS MEASURE TELL US?

A measure of the effectiveness of government's financial and business planning systems is the ability to achieve fiscal targets. This measure shows government expenditure reported as a percentage over or under budget. Interpreting the measure, however, is not as straightforward as it may seem. There are numerous factors involved and any one or combination of them may significantly change the result. For example, if revenues increase, government may choose to increase expenditures in areas that truly requires additional funds. At other times, there is less control over expenditure -- like binding arbitration awards on wage settlements that are higher than anticipated.

WHERE ARE WE NOW?

Net Program Expenses	**2000-01 (000's)**	**2001-02 (000's)**
Estimate - Net Program Expenses	$4,146,012	$4,373,369
Actual - Net Program Expenses	4250652	4472149
Under (Over) Estimate	$104,640	$98,780
Percentage Under (Over) Estimate	(2.5%)	(2.3%)

The target is for net program expenses to stay within 1 per cent of budget amounts. However, this target must be viewed within the context of the overall fiscal plan of the province. The province's fiscal plan for 2001-02 called for a deficit of $90.7 million. Actual revenues and income from government business enterprises exceeded budget during 2001-02. This permitted the province to fund additional program spending, related primarily to wage pressures in the health care, education and social services sectors while still meeting fiscal plan objectives.

WHERE DO WE WANT TO BE?

TPB Office's goal is for net program expenses to be within 1 per cent of budget. This degree of variance should permit the province to meet overall budget targets. However, unforeseen circumstances in a given year, which create variances in the overall fiscal plan of the Province (positive or negative), may necessitate adjustments to program expenditures that exceed the 1 per cent target. The overall objective is for the TPB Office to help government meet its fiscal goals. This will be accomplished through sound budgeting and business planning processes across government.

Measure: **Percentage of corporate policies being reviewed/revised**
Measure: **Percentage of corporate policies ready for publication**

Core Business: Supporting Effective Corporate Administration of Government

WHAT DO THESE MEASURES TELL US?

Up-to-date administrative policies facilitate efficient government administration. The Treasury and Policy Board Office is now reviewing and updating corporate administrative policies contained in the Management Manuals. Corporate administrative policy development is an iterative process with policies being developed, modified and rescinded continually. The first measure tells us the proportion of corporate policies currently being reviewed/revised for relevancy and accuracy, expressed as a percentage. The second measure tells us the percentage of policies that have completed the publishing review process and are ready for release.

WHERE ARE WE NOW?

As of March 2002, 90 per cent of identified corporate policies had been reviewed or were under review and 34 per cent of corporate policies are ready for publication.

WHERE DO WE WANT TO BE?

Our targets for these measures are to review/revise the remaining 10 per cent of corporate policies and to have published 90 per cent of the corporate policies by 2004-05.

Revised Management Manuals are scheduled for release in 2002-03. Once released, a maintenance plan will be implemented to keep the manuals current.

Measure: **Percentage of those regulations under review that have been eliminated/simplified or bundled**

Measure: **Systematic regulatory review and reduction of unnecessary red tape**

Core Business: Supporting Effective Corporate Administration of Government

WHAT DOES THE MEASURE TELL US?

This measure demonstrates a focus on reducing unnecessary red tape for business, to create a favourable business climate in Nova Scotia.

WHERE ARE WE NOW?

By the end of 2001-02, 86 sets of regulations were under review, a regulatory review framework had been developed and an ongoing assessment process was in place.

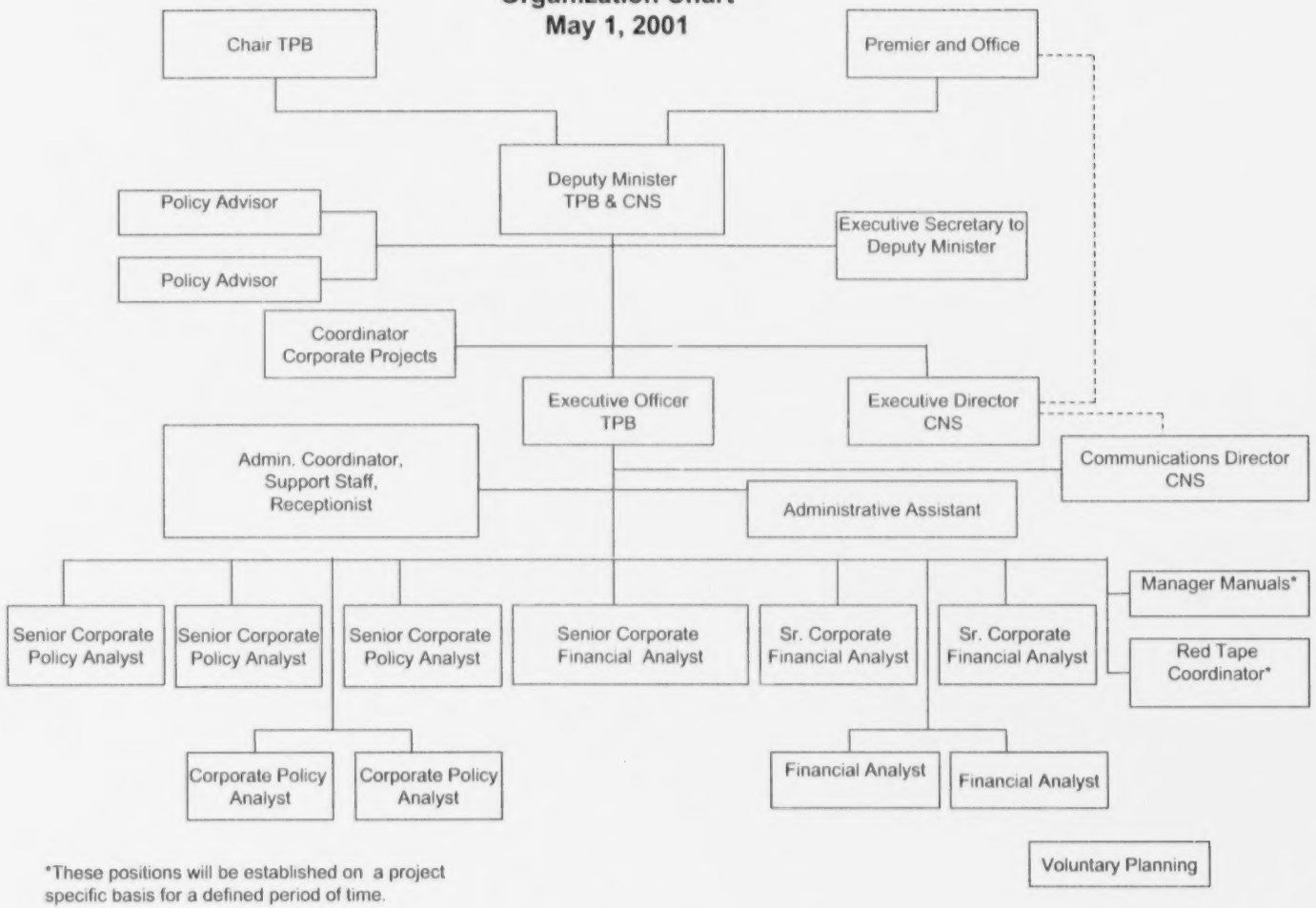
WHERE DO WE WANT TO BE IN THE FUTURE?

The review of the 86 sets of regulations will be completed by 2004-05. Departments with regulations affecting business will be required to conduct annual regulatory reviews, prepare red tape reduction plans and report on progress in annual accountability reports.

Beginning in 2003-04, departments whose regulations affect businesses will be requested to include strategies for ongoing regulatory review and red tape reduction in their business plans.

Appendix 1

Treasury and Policy Board
Organization Chart
May 1, 2001



*These positions will be established on a project specific basis for a defined period of time.

2001-02		2002-03	
Goal:	Provide high-quality analysis and recommendations to the Executive Council and Treasury and Policy Board	CBA:	Support to Treasury and Policy Board/Cabinet
Outcome:	Quality information and advice to the Executive Council and TPB	Outcome:	Quality information and advice to the Executive Council and TPB
Measure:	Satisfaction of departmental and agency clients with TPB office activities	Measure:	Overall satisfaction with level of service provided by TPB
		Outcome:	Efficient administration of TPB/Cabinet agenda
		Measure:	Average time to process department submissions
Comment:	The wording of the measure related to satisfaction has been modified somewhat, although the intent of the measure itself is unchanged. The measure of turnaround time is a new measure.		
Goal:	Improve communication between government and the public service	CBA:	Coordination of Corporate Policies and Priorities
Outcome:	Department/agency staff aware of government priorities	Outcome:	Increased understanding of government priorities.
Measure:	Regular and proactive TPB staff contact with Departments. Measure via number of regular meetings between TPB staff and department/agency management.	Measure:	Percentage of survey respondents who said they understood government's priorities.
Comment:	This measure was revised to be more directly related to the outcome. "Number of regular meetings" was more of an output measure which doesn't show quality of the interaction nor the effect of the interaction. Data is available for the 2002-03 measure, using the TPB client perspective survey.		
Goal:	Improve accountability of government including 3rd party entities.	CBA:	Strategic Planning and Budgeting
Outcome:	More open and accountable government	Outcome:	Improved financial & business planning accountability
Measure:	Number of departments, CCs, PSVs and third party entities preparing business plans and reporting documents.	Measures:	Percentage of government entities (departments, public service votes, and Crown corporations) completing annual business plans Percentage of entities releasing accountability reports, linked to intended outcome
Comment:	The measure was revised. Firstly, business planning was separated out from accountability reporting. Treasury and Policy Board office has lead responsibility for both these processes as related to departments, public service votes and Crown corporations. This is not the case with third party entities. Hence, third party entities were removed from the list of government entities. Measures in 2002-03 are expressed as percentages rather than a specific number which gives a better sense of performance, i.e., shows progression.		

2001-02	2002-03
Goal: Strengthen the corporate leadership of the public service. Outcome: High quality public service leadership cadre. Measure: Percentage of senior officials with performance management agreements. Comment: This outcome became a priority under the core business area of Supporting Effective Corporate Administration of Government in TPB office's business plan for 2002-03.	
Goal: Improve the integration of policy and budgeting. Outcome: Resource allocations are appropriately matched to implementation of government plans and priorities Measure: Departmental forecasts compared to estimates. Comment: A key priority of government is fiscal stability and a balanced budget by 2002-03. The revised measure better supports this priority because of the TPB office's responsibility for developing and monitoring the province's net program expenditure budget.	CBA: Strategic Planning and Budgeting Outcome: Improved financial and business planning accountability Measure: Actual government expenditure reported as a percentage under/over budget
Goal: Improve systems, processes and procedures required for the effective and efficient administration of government Outcome: Improved management and administration of government. Measure: Degree of compliance with policies/procedures as established by manuals. Comment: The measure related to the management manuals is more specific and within the direct influence of TPB. Base year data for 2001-02 is available. TPB has the authority to coordinate the revisions, maintain and distribute the information. Monitoring for compliance is a dispersed responsibility, belonging to the owners of the policies. Base year data for 2001-02 concerning regulations under review is available.	CBA: Supporting Effective Corporate Administration of Government Outcome: Up-to-date administrative policies to facilitate efficient government administration Measures: Percentage of corporate policies being reviewed/revised;% of corporate policies ready for publication Outcome: Regulatory reform and improved efficiency of government's administration of regulations Measures: Percentage of those regulations under review that have been eliminated / simplified or bundled Systematic regulatory review and reduction of unnecessary red tape